

House Watch

A summary of today's House actions;
published daily when the House is in session.



9/16/08

MESSAGES FROM THE SENATE

[HB 4001](#)

(Bieda)

House Bill 4001 (S-2) would do the following:

- Require an elected official who was the beneficiary of a legal defense fund to file statements of organization and dissolution with the Secretary of State, subject to a late filing fee of \$10 for each business day a statement was not filed; and prescribe a misdemeanor penalty of up to 93 days' imprisonment and/or a maximum fine of \$1,000 not filing a statement.
- Prohibit an elected official, or a person on behalf of an elected official, from soliciting or accepting a contribution for the purpose of defending the elected official in a criminal, civil, or administrative action that arose directly out of the conduct of his or her governmental duties unless the contribution were included in a legal defense fund that complied with the proposed Legal Defense Fund Act.
- Prohibit a person from making and the elected officer or treasurer of a legal defense fund from accepting an anonymous contribution or making a contribution to another person with the arrangement to transfer that contribution to a legal defense fund. -- Require any funds remaining in a fund when it was dissolved to be returned to the contributor of the funds or forwarded to the State Treasurer for deposit into the State's General Fund or to the State Bar of Michigan for deposit into the Client Protection Fund.
- Require the treasurer of a legal defense fund to file quarterly transaction reports, including itemized information for each expenditure from a fund that exceeded \$50 and for expenditures made to one person that cumulatively totaled \$50 or more.
- Require a treasurer or other individual to keep detailed accounts, records, bills, and receipts to substantiate the information in a statement or report; require the documents to be preserved for five years and available for inspection by the Secretary of State; and subject a treasurer who knowingly violated the provision to a maximum civil fine of \$1,000.
- Prescribe a misdemeanor penalty of up to 180 days' imprisonment and/or a maximum fine of \$5,000 for a treasurer or elected official who knowingly submitted false information in a report.
- -- Prescribe a minimum fee of \$25 per business day up to \$1,000 for the late filing of a report.
- Prescribe a misdemeanor penalty of up to 90 days' imprisonment and/or a maximum fine of \$1,000 for a treasurer who failed to file two transaction reports if both of the reports remained unfiled for more than 30 days.

- Bieda-2 adopted
- The House concurred in Senate substitute S-2, as amended [RC 730: 102 yes, 4 no]

HB 5996 (Leland)

Part of the divestment package; surplus Treasury funds.

- The House concurred in the Senate substitute [RC 721: 107 yes, 0 no]

HB 5997 (Angerer)

Part of the divestment package; strategic funds.

- The House concurred in the Senate substitute S-1 [RC 722: 107 yes, 0 no]

HB 5998 (Valentine)

Part of the divestment package; retirement funds.

- The House concurred in the Senate substitute S-1 [RC 723: 107 yes, 0 no]

HB 5999 (Meisner)

Part of the divestment package; lottery funds.

- The House concurred in the Senate substitute S-1 [RC 724: 107 yes, 0 no]

FINAL PASSAGE

HB 6365 (Gonzales)

House Bills 6365 and 6366 would allow school districts, public school academies, and intermediate school districts (ISDs) to make food purchases costing less than \$100,000—the amount of the federal small purchase threshold—without formal competitive bids.

- Committee substitute H-1 adopted
- HB 6365 advanced to 3rd Reading
- HB 6365 was passed [RC 725: 105 yes, 2 no]
- IE was ordered

HB 6366 (Hansen)

- Committee substitute H-1 adopted
- HB 6366 advanced to 3rd Reading

- HB 6366 was passed [RC 726: 106 yes, 1 no]
- IE was ordered

HB 6367

(Angerer)

The bill would create the "Select Michigan Act" requiring the Department of Agriculture to administer a program to identify and promote farm products grown, processed, or manufactured in Michigan.

- Committee substitute adopted
- HB 6367 advanced to 3rd Reading
- HB 6367 was passed [RC 727: 101 yes, 5 no]
- IE was ordered

HB 6368

(Mayes)

The bill would create the "Farm-to-School Procurement Act" to promote the purchase of local farm products by schools. The act would be implemented by the Departments of Education and Agriculture under a memorandum of understanding.

- HB 6368 advanced to 3rd Reading
- HB 6368 was passed [RC 728: 99 yes, 7 no]
- IE was ordered

SB 1263

(McManus)

Senate Bill 1263 (S-1) would establish procedures and deadlines for the Secretary of State to respond to a request for a declaratory ruling, including the following:

-- The Secretary would have to issue a declaratory ruling only if the person requesting it had provided a reasonably complete statement of facts necessary for the ruling or, with the permission of the Secretary, had supplied supplemental facts necessary for the ruling.
 -- A request for a declaratory ruling would have to be made available to the public, and an interested person could submit comments to the Secretary of State.
 -- The Secretary would have to issue a declaratory ruling within 60 business days after receiving a request, but could extend the period for a response by up to 30 days under extenuating circumstances. -- The Secretary of State would have to make available to the public an annual summary of the declaratory rulings and interpretive statements he or she issued.

- Dillon-1 adopted
- SB 1263 advanced to 3rd Reading
- SB 1263 was passed [RC 731: 103 yes, 3 no]
- IE was ordered

THIRD READING

HB 6251

(Robert Jones)

House Bill 6251 would add Section 22225a to make the furnishing of a security bond a requirement for approval for a certificate of need to acquire a nursing home, begin operation of a nursing home, or make a change in bed capacity in licensed nursing home beds. Except as provided otherwise, the amount of the surety bond would have to equal or exceed the total cost to acquire or begin operation of a nursing home or to make the change in bed capacity (with the cost to be determined by the Department of Community Health). The amount of the surety bond could not be less than \$25,000 or greater than \$500,000. (The bond requirement would not apply to a county medical care facility.) The surety bond would be conditioned on the continued operation of the nursing home by the applicant and would need to be approved by the department. Instead of a surety bond, the department could provide for an appropriate deposit of cash or securities, a letter of credit, or the assignment of coverage of other bonds, if it is satisfied that comparable or more extensive coverage results. The DCH would be required to establish procedures and could demand payment from the surety bond or draw upon the deposit of cash or securities, letter of credit or assignment of coverage of other bonds if the nursing home voluntarily or involuntarily discontinues its operations, if a receiver is appointed, or if a temporary manager is appointed. Upon full settlement of allowed claims, the department would return any remaining assets of those resources to the nursing home. The department could bring an action in a court of competent jurisdiction against the nursing home, its assets, or the surety on the bond, or could take any appropriate action against the issuer of the deposit of securities, letter of credit, or assignment of coverage of other bonds for recovery of money due and owing to the department. The department would have to require that the surety bond or other security be and remain in effect before issuance or renewal of a nursing home license.

- Committee substitute H-1 not adopted
- Robert Jones substitute H-2 adopted
- Hoogendyke 2A adopted
- Hoogendyke 2B adopted
- HB 6251 advanced to 3rd Reading

HB 6252

(Angerer)

House Bill 6252 would amend Section 20142 to provide that an applicant for a nursing home license or a licensee disclose the names, addresses, principal occupations, and official positions of all control persons. Currently, applicants and licensees must only disclose this information about those with an ownership interest. The term "control person" would be defined to mean a director, manager, or executive officer of an applicant or licensee or a natural person who has the authority to participate in the direction, directly or indirectly through one or more other natural persons, of the management or policies of an applicant or licensee. Currently, a change in ownership of a health facility or agency must be reported to the DCH Director within 15 days before the change occurs. The bill would also apply this requirement to a change in control. In the case of a change in ownership or control, the DCH could not issue a license to the new owner

until all of items of noncompliance identified by the department had been corrected, or the department has an approved plan of correction.

- Committee substitute H-1 not adopted
- Angerer substitute H-2 adopted
- Hoogendyke 2A adopted
- Hoogendyke 2B adopted
- HB 6252 advanced to 3rd Reading

HB 6253 (Corriveau)

House Bill 6253 would amend Section 21766 to provide that when a nursing home reports a change in ownership or control to the DCH, or not less than 30 days before the change occurs, whichever occurs sooner, the nursing home would be required to specifically notify, in writing, a patient and that patient's guardian or legal representative of the change in ownership or control. This section deals with the written contract required between a nursing home and a patient or patient's legal guardian or representative.

- Corriveau substitute H-1 adopted
- Meekoff 1A adopted
- HB 6253 advanced to 3rd Reading

HB 6254 (Simpson)

House Bill 6254 would amend Section 21781 to require a license nursing home to post the names and contact information for control persons and persons who have an ownership interest in the nursing home. (This would be in addition to current posted information.)

- Simpson substitute H-2 adopted
- Meekoff 1A adopted
- HB 6254 advanced to 3rd Reading

HB 6255 (Ball)

House Bill 6255 would amend Section 21711 to prohibit the DCH from issuing or renewing a nursing home license, except as provided in this section, unless the applicant or licensee submits financial statements audited by a certified public accountant, bank officer, or other independent authority with knowledge of long-term care operations, as approved by the department. The applicant or licensee would be required to include in the audited financial statements the accountant's, or other authority's statement that the applicant's or licensee's assets, liabilities, revenues, and expenditures identified in the applicant's business plan are sufficient to predict that the applicant (or licensee) has the financial capacity to own and operate a nursing home. This subsection would not apply to a nursing home that is a county medical care facility.

- Committee substitute H-1 not adopted
- Ball substitute H-2 adopted

- Meekoff 2A adopted
- HB 6255 advanced to 3rd Reading

HB 6256

(Valentine)

House Bill 6256 would amend Section 21799c to specify that a licensee, nursing home administrator, or employee of a nursing home who knowingly and willfully makes a false statement to the DCH in the course of a visit made for the purpose of survey, evaluation, or consultation, or in the course of an investigation made following a complaint, is guilty of a misdemeanor punishable by imprisonment for not more than one year and/or a fine of not less than \$1,000 or more than \$10,000. A licensee, nursing home administrator, or employee of a nursing home could not be found guilty of knowingly and willfully making a false statement under the subsection unless guilt is established by legal and competent evidence beyond a reasonable doubt.

- Committee substitute H-1 not adopted
- Meekoff amendment falls
- Substitute H-1 reconsidered and adopted
- Meekoff amendment not adopted [RC 729: 35 yes, 69 no]
- HB 6256 advanced to 3rd Reading

HB 6261

(Donigan)

House Bill 6261 would amend numerous sections in Chapter 21 to provide that beginning October 1, 2008, a person could not establish, operate, or maintain a nursing home without maintaining proof of liability insurance coverage on that nursing home in an amount not less than \$1 million per occurrence. A nursing home that is a county medical facility would not be required to maintain liability insurance as required in this section. An applicant or licensee would be required to include proof of liability coverage in its application for a license or license renewal. Proof of liability insurance would also be added to list of public records subject to disclosure by the Department of Community Health or the Department of Human Services. Additionally, a licensee would be required to retain for public inspection a copy of the proof of liability insurance coverage.

- Committee substitute H-1 not adopted
- Donigan substitute H-2 adopted
- Meekoff 2A adopted
- Green 2B adopted
- HB 6261 advanced to 3rd Reading

HB 6388

(Miller)

The bill would amend the Public Health Code to provide for a public hearing before a license is issued to new owners of a nursing home. The bill would add Section 21742 to specify that the Department of Community Health would have to hold such a hearing at the request of any person

to provide an opportunity for persons interested in the change of ownership or control to be heard. The department could also hold a hearing without any such request, on its own initiative. The hearing could be held at any time after a proposed change in ownership or control of a nursing home was reported to the department, but would have to be held before a license was issued to the new persons with ownership or control interest. When making its decision whether to issue a license to the new persons with an ownership or controlling interest, the department would have to consider all information received during the public hearing and any written communication received regarding the change in ownership or control. The department would have to promulgate rules to establish procedures under which a public hearing is to be requested and held.

- **HB 6388 advanced to 3rd Reading**

MOTIONS AND RESOLUTIONS

HR 408

(Walker)

A resolution proclaiming the week of October 5 - 11, 2008, as Michigan Harvest for Michigan Kids Week.

- **HR 408 was adopted**

HR 409

(Melton)

A resolution to urge the Michigan Department of Education and the Michigan Department of Agriculture to take various actions to promote local farm-to-school initiatives.

- **HR 409 was adopted**

HR 413

(Schuitmaker)

A resolution to urge the Congress of the United States and the U.S. Department of Agriculture to continue to promote and prioritize the establishment of local farm-to-school initiatives.

- **HR 413 was adopted**

HR 421

(Hansen)

A resolution recognizing September 18, 2008, as Buy Fresh, Buy Local, Select Michigan Day in the state of Michigan.

- **HR 421 was adopted**

HR 296

(Cushingberry)

A resolution to memorialize the Congress and the President of the United States to enact the Breast Cancer Patient Protection Act.

- HR 296 was adopted